

Erin Carpenter

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Dear Sir or Madam:

I am writing this letter to express my extreme discontent over the proposed Business Opportunity Rule R511993. This potential law in its present form, will have an extremely negative impact on my future as a sales consultant for lia sophia. I work two jobs. My full-time position as a computer software aide does not provide enough income to pay the numerous bills that my husband and I have. We both work very hard and I work twice as hard as a direct sales consultant in the evenings and on weekends. The extra income generated by my "extra job" has been a huge blessing in the last year. Without it I don't know what our family would do. My husband and I are very motivated and work very hard but without lia sophia we would be unable to pay all of the bills. We have 3 children at home. One of our children will be attending a private college in the fall with a tuition bill that will probably require my husband to find a second job. In addition our 7 year old son has been fortunate enough to attend a private parochial school for the last two years. We would like to continue sending him there. We were just notified that his tuition has increased by \$400/year. The proposed Business Opportunity Rule R511993 could not only prevent me from continuing as a consultant for lia sophia but could have an impact on whether my son can continue to go to the same school he has attended for the last 2 year and on whether my daughter will be able to attend Canisius College or not. I understand that the FTC's responsibility is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products.

The direct selling industry is a very challenging industry and requires true motivation and commitment. There have been many times I have wanted to just cash it in and give up. I have hung in there in spite of the endless hours of working late at night and the countless family events I have had to miss because I knew that eventually my hard work would pay off. I have been in the business for one year now and I am just now beginning to see some of my hard work paying off. The future of my family is dependent on the stability of the direct selling industry.

The seven-day waiting period to enroll new consultants implies that there might be something wrong with the company or the compensation plan. I also think this seven-day waiting period is unnecessary, because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about and will then need to send in many reports to my company headquarters. This is an unnecessary burden on all direct sales consultants.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found

guilty. Otherwise, lia sophia and I are put at an unfair advantage even though lia sophia has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to lia sophia headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

Please understand that I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Erin Carpenter